



CITY OF DURHAM | NORTH CAROLINA

Date: September 2, 2011

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page, Deputy City Manager

From: David Boyd, Finance Director
Joseph W. Clark, Financial Operations Manager

Subject: Bids – Term Contract for E-10 Gasoline (1,000,000 gallons)

Executive Summary

The contract under consideration will furnish/provide the City with its estimated annual requirements for E-10 (Gasoline). All prices under the proposed contract are subject to market fluctuation.

The recommended contractor is Darden Putman Energy and Logistics, LLC. Darden Putman Energy and Logistics is certified by the State of Georgia as a Minority Business Enterprise.

Gasoline price adjustments under this proposed contract shall be based solely on the change in the "Average Price" of the prices listed in the weekly publication, "Oil Price Information Service, Pad 1 Report", listed under Greensboro, North Carolina. Any upward or downward change in the "Average Price" from one OPIS publication to the next will be added to or subtracted from the previous week contract price.

Darden Putman Energy and Logistics of Roswell, Georgia was the lowest responsive bidder. The estimated total cost of the contract is \$3,095,600.00. Funding for this contract is available from the operating budget of the Fleet Maintenance Department (0S110000.114101) and DATA (5310U051.723010). There are no good alternatives to making this purchase. All bids received were competitive and within budget.

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Darden Putman Energy and Logistics of Roswell, Georgia and have determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting. There were no SDBEs to provide this product.

Recommendation

That the bid for the purchase of E-10 Gasoline in the estimated amount of \$3,095,600.00 from Darden Putman Energy and Logistics be approved and the City Manager be authorized to execute all relevant contracts; and,

That the City Manager be authorized to modify the contract before execution provided that modifications do not increase the dollar amount of the contract and are consistent with the general intent of the existing version of the contract.

Background

The contract under consideration will furnish/provide the City with its estimated annual requirements for E-10 (Gasoline). All prices under the proposed contract are subject to market fluctuation. The estimated contract gallonage is based on past usage.

The recommended contractor is Darden Putman Energy and Logistics, LLC. Darden Putman Energy and Logistics is certified by the State of Georgia as a Minority Business Enterprise.

Gasoline price adjustments under this proposed contract shall be based solely on the change in the "Average Price" of the prices listed in the weekly publication, "Oil Price Information Service, Pad 1 Report", listed under Greensboro, North Carolina. Any upward or downward change in the "Average Price" from one OPIS publication to the next will be added to or subtracted from the previous week contract price.

Issues/Analysis

The following bids were received for furnishing E-10 Gasoline: (1,000,000 gallons)

COMPANY	BID
Darden Putman Roswell, GA	* \$0.0013/margin \$3,095,600.00
Indigo Energy Alpharetta, GA	\$0.0063/margin \$3,100,600.00
Petroleum Traders Fort Wayne, IN	\$0.0136/margin \$3,107,900.00
James River Petroleum Stuart, VA	\$0.0160/margin \$3,110,300.00
Go Energies Wilmington, NC	\$0.02735/margin \$3,121,700.00

Great Lakes	\$0.0294/margin
Cleveland, OH	\$3,123,700.00

PAPCO	\$0.0367/margin
Virginia Beach, VA	\$3,131,000.00

*Recommended Bid

Alternatives

There are no good alternatives to making this purchase. All bids received were competitive and within budget.

Financial Impact

The total cost of the contract is \$3,095,600.00. Funding for this contract is available from the operating budget of the Fleet Maintenance Department (0S110000.114101) and DATA (5310U051.723010).

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Darden Putman Energy and Logistics of Roswell, Georgia and have determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBEs to provide this product.

WORKFORCE STATISTICS

The workforce statistics for Darden Putman Energy & Logistics are as follows:

Total Workforce	3	100%
Total Females	1	33%
Total Males	2	67%
Black Males	2	67%
White Males	0	0%
Other Males	0	0%
Black Females	1	33%
White Females	0	0%
Other Females	0	0%